

AMENDED IN ASSEMBLY JUNE 30, 2008  
AMENDED IN ASSEMBLY SEPTEMBER 7, 2007  
AMENDED IN ASSEMBLY AUGUST 30, 2007  
AMENDED IN ASSEMBLY JUNE 25, 2007  
AMENDED IN SENATE APRIL 19, 2007  
AMENDED IN SENATE APRIL 9, 2007

**SENATE BILL**

**No. 697**

---

**Introduced by Senator Yee**

February 23, 2007

---

An act to add Sections 12693.55 and 12698.26 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as amended, Yee. Health care coverage: provider charges.

Existing law creates the Healthy Families Program and the Access for Infants and Mothers Program that are administered by the Managed Risk Medical Insurance Board. Under existing law, both programs provide health care coverage, as specified, through participating health plans for persons meeting certain eligibility requirements.

This bill would prohibit, as specified, a health care ~~service~~ provider from seeking reimbursement for covered services furnished to a person enrolled in the Healthy Families Program or the Access for Infants and Mothers Program from other than the participating health plan covering that person. The bill would also make findings and declarations in that regard.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2     following:  
3     ~~(a) The Healthy Families Program (program) provides health~~  
4     ~~care coverage for uninsured children in families with incomes up~~  
5     ~~to 250 percent of the federal poverty level who are not eligible for~~  
6     ~~no-cost Medi-Cal.~~  
7     ~~(b) The program has reduced the rate of uninsured, low-income~~  
8     ~~children in California by 28.7 percent between 1997 and 2005.~~  
9     ~~(c) The program provides 760,000 children with access to~~  
10    ~~affordable health care coverage.~~  
11    ~~(d) The program provides~~  
12    ~~(a) The Healthy Families Program and the Access for Infants~~  
13    ~~and Mothers Program provide access to health care for the state's~~  
14    ~~chronically underserved and uninsured children and prenatal, well~~  
15    ~~child, and labor and delivery services for pregnant women who~~  
16    ~~might otherwise have difficulty obtaining vital and basic health~~  
17    ~~care services.~~  
18    ~~(e)~~  
19    ~~(b) In addition to receiving reimbursement from the state through~~  
20    ~~contract managed care plans for services provided to enrollees of~~  
21    ~~the program these programs, some health care providers seek~~  
22    ~~additional compensation by inappropriately billing patients of the~~  
23    ~~program enrollees of the programs directly for additional payments.~~  
24    ~~(f) Some health care providers seek reimbursement in amounts~~  
25    ~~in excess of 1,000 percent of what Medi-Cal reimburses for the~~  
26    ~~same services.~~  
27    ~~(g)~~  
28    ~~(c) Enrollees of the program these programs with limited~~  
29    ~~economic means should not be subjected to aggressive billing~~  
30    ~~practices from overbilling providers who accept reimbursement~~  
31    ~~from the program one of the programs and then seek an additional~~  
32    ~~double payment by billing unsuspecting enrollees for services~~  
33    ~~previously compensated by the state's taxpayers.~~  
34    ~~(h) Enrollees of the program already pay a monthly premium~~  
35    ~~to be enrolled in the program and are not obligated to pay these~~

1 (d) *Enrollees of these programs should not be obligated to pay*  
2 *excessive and improper double billings.*

3 (i)

4 (e) ~~Enrollees of the program~~ *these programs*, including many  
5 with language barriers and those who are low income, should not  
6 be subjected to aggressive collection tactics, threats to their credit,  
7 and other improper and coercive billing practices designed to  
8 intimidate them into making excessive payments they are not  
9 obligated to make.

10 (j)

11 (f) The practice of balance billing Medicare and Medi-Cal  
12 enrollees is explicitly prohibited under existing federal and state  
13 law.

14 SEC. 2. Section 12693.55 is added to the Insurance Code, to  
15 read:

16 12693.55. (a) A health care provider who is furnished  
17 documentation of a person's enrollment in the program shall not  
18 seek reimbursement nor attempt to obtain payment for any covered  
19 services provided to that person other than from the participating  
20 health plan covering that person.

21 (b) The provisions of subdivision (a) do not apply to any  
22 copayments ~~or deductibles~~ required for the covered services  
23 provided to the person under his or her participating health plan.

24 (c) *For purposes of this section, "health care provider" means*  
25 *any professional person, organization, health facility, or other*  
26 *person or institution licensed by the state to deliver or furnish*  
27 *health care services. For purposes of this definition, "person"*  
28 *means any person, individual, firm, association, organization,*  
29 *partnership, business trust, foundation, labor organization,*  
30 *corporation, limited liability company, public agency, or political*  
31 *subdivision of the state.*

32 SEC. 3. Section 12698.26 is added to the Insurance Code, to  
33 read:

34 12698.26. (a) A health care provider who is furnished  
35 documentation of a subscriber's enrollment in the program shall  
36 not seek reimbursement nor attempt to obtain payment for any  
37 covered services provided to that subscriber other than from the  
38 participating health plan covering the subscriber.

39 (b) The provisions of subdivision (a) do not apply to any  
40 copayments ~~or deductibles~~ required for the covered services

1 provided to the subscriber under his or her participating health  
2 plan.

3 (c) *For purposes of this section, “health care provider” means*  
4 *any professional person, organization, health facility, or other*  
5 *person or institution licensed by the state to deliver or furnish*  
6 *health care services. For purposes of this definition, “person”*  
7 *means any person, individual, firm, association, organization,*  
8 *partnership, business trust, foundation, labor organization,*  
9 *corporation, limited liability company, public agency, or political*  
10 *subdivision of the state.*